

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

Grant Application

Fiscal Year 2018

IMPORTANT:

- Please read the McKinney Community Development Corporation Grant Guidelines prior to completing this application.
- The Grant Guidelines and Application are available at www.mckinneycdc.org; by calling 972.547.7653 or by emailing cschneible@mckinneycdc.org
- **Please call to discuss your plans for submitting an application in advance of completing the form.** A completed application and all supporting documents are required to be submitted via email or on a thumb drive for consideration by the MCDC board. Please submit the application to:

McKinney Community Development Corporation
5900 S. Lake Forest Blvd., Suite 110
McKinney, TX 75070

- *If you are interested in preliminary Board of Directors review of your project proposal or idea, please complete and submit the **Letter of Inquiry** form, available at www.mckinneycdc.org, by calling 972.547.7653 or emailing cschneible@mckinneycdc.org.*

Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive, by 5:00 p.m. on the date indicated in schedule below.

Please indicate the type of funding you are requesting:

Project Grant

Projects that are eligible for funding in accordance with the Type B sales tax statute (refer to examples in Grant Guidelines) and that advance the mission of MCDC.

**Promotional or Community Event Grant
(maximum \$15,000)**

Initiatives, activities or events that promote the City of McKinney for developing new or expanded business opportunities and/or tourism – and enhancing quality of life for McKinney residents.

Promotional and Community Event Grants:

| Application Deadline | Presentation to MCDC Board | Board Vote and Award Notification |
|----------------------------|----------------------------|-----------------------------------|
| Cycle I: November 30, 2017 | December 2017 | January 2018 |
| Cycle II: May 31, 2018 | June 2018 | July 2018 |

Project Grants:

| Application Deadline | Presentation to MCDC Board | Board Vote and Award Notification |
|--------------------------|----------------------------|-----------------------------------|
| Cycle I: January 3, 2018 | January 2018 | February 2018 |
| Cycle II: March 30, 2018 | April 2018 | May 2018 |
| Cycle III: June 29, 2018 | July 2018 | August 2018 |

APPLICATION

INFORMATION ABOUT YOUR ORGANIZATION

Name: ManeGait Therapeutic Horsemanship

Federal Tax I.D.: 26-1525268

Incorporation Date: November 2007

Mailing Address: 3160 N. Custer Rd

City: McKinney

ST: Texas

Zip: 75071

Phone: (469) 742-9611

Fax: (469) 742-9677

Email: shansen@manegait.org

Website: www.manegait.org

Check One:

- Nonprofit – 501(c) Attach a copy of IRS Determination Letter
- Governmental entity
- For profit corporation
- Other

Professional affiliations and organizations to which your organization belongs:

Professional Association of Therapeutic Horsemanship International (PATH Intl.)

REPRESENTATIVE COMPLETING APPLICATION:

Name: Patricia Nelson

Title: Executive Director

Mailing Address: 3160 N. Custer Rd

City: McKinney

ST: Texas

Zip: 75071

Phone: (469) 422-6374

Fax: (469) 742-9677

Email: pnelson@manegait.org

CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:

Name: Susan Hansen

Title: Chief Development Officer

Mailing Address: 3160 N. Custer Rd

City: McKinney

ST: Texas

Zip: 75071

Phone: (469) 422-6380

Fax: (469) 742-9677

Email: shansen@manegait.org

FUNDING

Total amount requested: **\$8,000**

Matching Funds Available (Y/N and amount): No

Will funding be requested from any other City of McKinney entity (e.g. McKinney Convention and Visitors Bureau, Arts Commission, City of McKinney Community Support Grant)?

Yes

No

Please provide details and funding requested:

This grant will fund **marketing and promotional expenses** for the **2018 ManeGait Country Fair** to include advertising in community magazines, radio promotion, and social media outreach. By promoting the ManeGait Country Fair, the MCDC grant will promote the services, businesses, and beauty of McKinney in support of tourism and community development.

PROJECT/PROMOTIONAL/COMMUNITY EVENT

Start Date: March 15, 2018

Completion Date: April 28, 2018

BOARD OF DIRECTORS *(may be included as an attachment)*

Bill Darling, Co-Founder and Board President - Darling Homes, Original Partner

Priscilla Darling, Co-Founder

Dawnda Daniel, Board Treasurer - PlainsCapital Corporation

Rich Allen - Action COACH

Bill Benton - Benton-Lutrell Company

Ward Eastman - PPI Marketing

Ryan Griffin - FCS Construction

Bill Heard - KVIL CBS Radio – Dallas, Retired

Craig Moen - Wells Fargo Advisors

Mike Reeves - New York Life, Retired

Tom Reidy - Avalon Consulting, LLC

Dr. David Stephens - Weems & Stephens Equine Hospital

Mark Wakeland - Wakeland Real Estate

Kelly Waterman - KNS LLC

LEADERSHIP STAFF *(may be included as an attachment)*

Patricia Nelson, Executive Director

Susan Hansen, Chief Development Officer

Using the outline below, provide a written narrative no longer than 7 pages in length:

I. Applying Organization

Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers.

OUR MISSION

At ManeGait Therapeutic Horsemanship, children and adults with disabilities move beyond their boundaries through the healing power of the horse and the dedication of a professional and caring community.

Guided by this mission, ManeGait believes in the mind and body benefits of therapeutic riding and its ability to improve the quality of life for special needs riders and their families.

Founded in 2007 by community leaders Bill and Priscilla Darling and their daughter, Landon Darling Schneider, ManeGait Therapeutic Horsemanship is a 501(c)(3) nonprofit organization located on 14 acres of rolling pasture land in McKinney, Texas. Through ManeGait therapy programs, we have witnessed riders take their first steps, speak their first words, and achieve milestones once thought impossible.

MANEGAIT PROGRAM OVERVIEW

ManeGait provides weekly therapeutic horsemanship programs to 150 adults and children with physical, emotional, cognitive and behavioral disabilities, delivering more than 4,000 hours of services each year. Our staff is made up of 10 full-time and 9 part-time employees. Certified instructors lead our programs with the assistance of 20 skilled therapy horses and a team of over 275 volunteers each week.

- **Therapeutic Horseback Riding** – ManeGait’s core riding program consists of weekly private or small group riding lessons tailored to the needs of each rider. Individual goals are established and monitored throughout the session to help our special needs riders receive the physical, mental, and emotional benefits of therapeutic riding.
- **Therapeutic Carriage Driving** – This is a form of equine-assisted therapy where participants drive a horse-drawn carriage or cart. The program promotes coordination, fine and gross motor skills, visual perception, spatial awareness, communication skills, and independence.
- **GaitWay to the Brain Program** – Developed at ManeGait, the GaitWay to the Brain program improves outcomes for our riders by incorporating brain-building exercises into the framework of riding lessons and reinforcing these outcomes with at-home activities. Supported by evidence-based neurological research, this methodology is designed to increase brain and body integration for participants. Success of this program has led to a university research study and replication at riding centers across the U.S. and Canada.
- **‘ManeGait to Freedom’ Veteran Program** – This program is specifically designed to support the needs of injured and disabled military veterans.

WHO WE SERVE

ManeGait riders range from 4 to 93 years of age, with more than 77% are under the age of 21. Participants come from five North Texas counties. Disabilities served include: Autism Spectrum Disorder, Cerebral Palsy, Intellectual Disability, Developmental Delay, Down Syndrome, Attention Deficit Disorder / ADHD, Traumatic Brain Injury, Post-Traumatic Stress Disorder, among many other disabilities.



Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Project/Promotional/Community Event for which funds are requested.

Proceeds from the ManeGait Country Fair will support ManeGait's 2018 program goals to increase our program capacity (reducing our rider waitlist) and ensuring rider fees remain affordable for families (not to exceed 15% of operating budget).

II. Project or Promotional/Community Event (whichever is applicable)

Outline details of the Project/Promotional/Community Event for which funds are requested. Include information regarding scope, goals, objectives, target audience.

ManeGait is requesting an **\$8,000** grant from the McKinney Community Development Corporation to support **marketing and promotion** of the **2018 ManeGait Country Fair** on Saturday, April 28.

Modeled after old-fashioned county fairs, the event will feature wholesome fun for the whole family. It will be held on ManeGait's 14-acre property in and is expected to draw attendance from 1,200 adults and children from surrounding cities.

All proceeds will fund ManeGait's therapy programs serving our special needs riders.

The **target audience** for this event includes friends of ManeGait and families from Dallas, Denton, Collin, Grayson and Rockwall counties.

Goals & Objectives of ManeGait Country Fair

1. To raise financial support for ManeGait programs, which increases the quality of life for adults and children with disabilities
2. To raise awareness of ManeGait programs and increase community involvement as clients, volunteers, donors, and sponsors
3. To support the local community by promoting local businesses and providing a family-friendly activity for residents of McKinney and surrounding areas



For Promotional Grants/Community Events – describe how this initiative will promote the City of McKinney for the purpose of business development and/or tourism.

ManeGait Country Fair is an opportunity to promote local **business development and tourism** by bringing families from surrounding communities to McKinney. ManeGait is the perfect setting to feature the beauty of our city and the impact McKinney businesses and MCDC are having on the quality of life of our residence and the North Texas community.

Describe how the proposed Project/Promotional/Community Event fulfills strategic goals and objectives for your organization.

To support ManeGait's strategic goals and objectives, the 2018 ManeGait Country Fair is expected to raise \$60,000 in net funding for ManeGait's equine-assisted therapy programs.

Please also include planned activities, time frame/schedule, and estimated attendance and admission fees if applicable.

- Date: Saturday, April 28, 2017; 10:30 AM - 4:30 PM
- Estimated Attendance: 1,200 visitors; 150 volunteers
- Admission: \$5 for adults/children 3 years old and up
- Activities include: bounce houses, petting zoo, pony rides, face painting, carnival games, live entertainment, food trucks and more. **Live entertainment will be featured on the City of McKinney stage.**



Include the venue/location for Project/ Promotional/ Community Event?

ManeGait Country Fair will be held at ManeGait's riding facility in northwest McKinney (HWY 380 and Custer Rd). **The carnival will be located in ManeGait's 20,000 square foot, "High Five" riding arena, which was built with the support of MCDC in 2010.**



Provide a timeline for the Project/Promotional/Community Event.

- Present – March 2018: Secure event sponsors, vendors, and volunteer support
- March 15 – April 27: Promote event via press coverage, email, social media and event calendars
- April 1 – April 27: Online ticket sales open
- April 28: ManeGait Country Fair
- April 30 – May 4: Post event promotion and acknowledgements

Detail goals for growth/expansion in future years.

ManeGait Country Fair is an annual event that will be held at ManeGait each spring. Our goal is to grow attendance and sponsorship support year over year. This event is an excellent way to create awareness about our programs, build partnerships with local businesses, and give the residents of McKinney (and surrounding areas) an opportunity to experience the fun of ManeGait's riding center.

Project Grants – please complete the section below: N/A

- An expansion/improvement? Yes No
- A replacement/repair? Yes No
- A multi-phase project? Yes No
- A new project? Yes No

Has a feasibility study or market analysis been completed for this proposed project? *If so, please attach a copy of the Executive Summary.* N/A

Provide specific information to illustrate how this Project/Promotional/Event aligns with one or more of the goals and strategies adopted by McKinney City Council and McKinney Community Development:

- Eligible for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (refer to MCDC Grant Guidelines)
- Support cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and growth of McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact local dining and shopping has on investment in quality of life improvements in McKinney

Indicate which goal(s) listed above will be supported by the proposed Project/Promotional/Event:

- *Support cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and growth of McKinney sales tax revenue*

ManeGait Therapeutic Horsemanship has been improving the **quality of life** of McKinney residents and their families for 10 years. We are the only therapeutic riding center in our area, attracting riders and volunteers from five North Texas counties. Innovative programs and proven outcomes have led to a high demand for ManeGait services. In recent months, rider applications have increased rapidly due to the relocation of another large riding center to a south Dallas location. As a result, our waitlist has grown to more than 200 adults and children with disabilities hoping to join ManeGait programs when openings become available. Funding from the ManeGait Country Fair will help us continue to grow our programs and serve more riders.

- *Educate the community about the impact local dining and shopping has on investment in quality of life improvements in McKinney*

In addition to business sponsorship, ManeGait is inviting local restaurants with food trucks to serve lunch and snacks during the event, so the attendees and volunteers at the Country Fair can be introduced to the eateries and sample their cuisine. As a thank you for sponsorship and support, we look forward to promoting our local business sponsors, vendors and, MCDC with onsite and pre/post event media coverage.

Has a request for funding, for this Project/Promotional/Community Event, been submitted to MCDC in the past?

Yes

No

Date(s): April 2016

III. Financial

Provide an overview of the organization's financial status including the impact of this grant request on organization mission and goals.

ManeGait's total annual operating budget is \$1,393,000. By supporting Country Fair promotions, the MCDC grant will grow attendance and awareness for this event, generate financial support for ManeGait programs, and increased overall support for our mission.

Please attach your organization's budget for the current year and audited financial statements for the preceding two years. If audited financials are not available, please indicate why.

Financial statements are enclosed.

What is the total estimated cost for this Project/Promotional/Community Event?

Total budget for the Country Fair is \$23,000 inclusive of a \$8,000 promotional budget which would be supported by this MCDC grant.

(Please provide a budget specific to the proposed Project/Promotional/Community Event.)

Project budget is enclosed.

What percentage of Project/Promotional/Community Event funding will be provided by the Applicant?

64% of the Total Budget will be generated by ManeGait through development activities.

Are Matching Funds available? Yes No

| | | |
|------------|--------|------------|
| Cash \$ | Source | % of Total |
| In-Kind \$ | Source | % of Total |

Please provide details regarding other potential sources for funding. Include name of organization solicited; date of solicitation; amount of solicitation and date that notice of any award is expected.

ManeGait Country Fair offers a range of business sponsorship opportunities ranging from a \$20,000 Presenting Sponsorship to a \$500 Game Sponsor.

IV. Marketing and Outreach

Describe marketing plans and outreach strategies for your organization, for the Project/Promotional/Community Event for which you are requesting funding – and how they are designed to help you achieve current and future goals.

ManeGait Country Fair Marketing Plan Includes:

- Promotion of ManeGait Country Fair website and listing on local event calendars
- E-Blasts to ManeGait database prior to the event (5,500 contacts)
- Advertisement in neighboring community magazines
- Social Media promotion through Facebook, Instagram and Twitter
- Radio advertising through Cumulus Media and KLAK the week leading-up to the event

The goal of this outreach strategy is (1) to attract event sponsorship, (2) to encourage attendance and (3) to raise awareness of ManeGait's mission and acknowledge our many supporters.

V. Metrics to Evaluate Success

Outline the metrics that will be used to evaluate success of the proposed Project/Promotional/Community Event. If funding is awarded, a final report will be required summarizing success in achieving objectives outlined for the event.

In alignment with the event goals, metrics to evaluate 2018 ManeGait Country Fair success include:

1. Raise financial support

- Gross event revenue (targeted at \$83,000)
- Net event revenue (targeted at \$60,000)

2. Raise awareness

- Number of media mentions and advertisements
- Number of social media posts / reach
- Event Attendance (targeted at 1,200)

3. Build community partnership and promote local businesses

- Number of community organizations participating / local business sponsorship

Acknowledgements

If funding is approved by the MCDC board of directors, Applicant will assure:

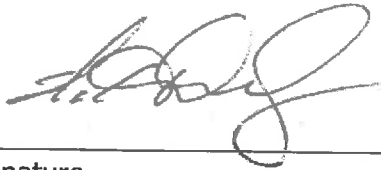
- The Project/Promotional/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization.
- All funds awarded will be used exclusively for the purpose described in this application.

- MCDC will be recognized in all marketing, advertising, outreach and public relations as a funder of the Project/Promotional/Community Event. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Organization's officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotional/ Community Event for which funds were received.
- A final report detailing the success of the Project/Promotional/Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Project/Promotional/Community Event.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotional/Community Event with submission of invoices/receipts to MCDC. The final 20% may be paid following MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotional/Community Event.
- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.

Chief Executive Officer

Representative Completing Application




Signature

Signature

William Darling
Co-Founder and Board President
11/29/2017

Patricia Nelson
Executive Director
11/29/2017

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.



ManeGait Therapeutic Horsemanship 2017 OPERATING BUDGET

| Income | |
|--------------------------------|--------------------|
| Rider Fees | 160,000 |
| Donations | 150,000 |
| 3rd Party Events | 50,000 |
| Grants | |
| Capital Grants | 85,000 |
| Operating Grants | 115,000 |
| Total Grants | 200,000 |
| Fundraising Event Income | |
| Golf Outing | 120,000 |
| Gala at the 'Gait | 600,000 |
| ManeGait Country Fair | 80,000 |
| Total Fundraising Event Income | 800,000 |
| Other Program Income | 37,000 |
| Total Income | \$1,397,000 |

| Expenses | |
|---------------------------|--------------------|
| Riding Program Expenses | 40,000 |
| GaitWay Program Expenses | 51,000 |
| Horse Care | 78,000 |
| Volunteer Expenses | 4,500 |
| Employee Costs | 692,000 |
| Fundraising Event Expense | 237,000 |
| Development & Marketing | 60,000 |
| Repairs and Maintenance | 48,000 |
| Utilities | 22,800 |
| Equipment Expense | 4,800 |
| Insurance | 25,000 |
| General/Administrative | 57,900 |
| Depreciation | 69,600 |
| Interest Expense | 2,400 |
| Total Expenses | \$1,393,000 |



ManeGait Therapeutic Horsemanship 2018 COUNTRY FAIR BUDGET

Event Income

| | |
|-----------------------------|-----------------|
| Event Sponsorships | 35,000 |
| Donations | 20,000 |
| Country Fair Event Proceeds | 20,000 |
| MCDC Grant (Proposed) | 8,000 |
| Total Income | \$83,000 |

Event Expenses

| | |
|--|-----------------|
| Rentals (Bounce Houses, Games, Tables, Chairs,) | 10,000 |
| Materials and Supplies | 4,000 |
| Security, Permits, and Insurance | 1,000 |
| Marketing and Promotion | |
| Radio Advertising (Cumulus and Alpha Media) | 4,350 |
| - 40 spots two weeks leading up to event | |
| Community Magazine Advertising | 3,150 |
| - Ads in April edition of Plano Profile & Frisco Style | |
| Facebook Promotional Ads | 500 |
| Total Marketing and Promotion | 8,000 |
| Total Expenses | \$23,000 |

MANEGAIT
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2016 AND 2015

MANEGAIT
DECEMBER 31, 2016 AND 2015

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LORI K. ORTA, P.C.
Certified Public Accountant

Independent Auditor's Report

To the Board of Directors
ManeGait

We have audited the accompanying financial statements of ManeGait (the "Organization"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ManeGait as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lori K. Orta, P.C.

Dallas, Texas
May 10, 2017

ManeGait
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

| | 2016 | 2015 |
|--|--------------|--------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 133,254 | \$ 193,282 |
| Cash and cash equivalents - temporarily restricted | 30,540 | 20,000 |
| Accounts receivable | 14,294 | 47,060 |
| Contributions receivable | 2,500 | - |
| Prepaid expenses | 18,955 | 13,989 |
| Total current assets | 199,543 | 274,331 |
| PROPERTY, PLANT AND EQUIPMENT AT COST - net | | |
| | 1,568,016 | 1,618,803 |
| | \$ 1,767,559 | \$ 1,893,134 |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------|--------------|--------------|
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 17,293 | \$ 4,019 |
| Accrued liabilities | 31,478 | 32,811 |
| Deferred revenue | 33,832 | 29,995 |
| Total current liabilities | 82,603 | 66,825 |
| NET ASSETS | | |
| Unrestricted | 1,654,416 | 1,806,309 |
| Temporarily restricted | 30,540 | 20,000 |
| | 1,684,956 | 1,826,309 |
| | \$ 1,767,559 | \$ 1,893,134 |

The accompanying notes are an integral part of these financial statements.

ManeGait
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2016

| | Unrestricted | Temporarily Restricted | Total |
|---------------------------------------|---------------------|---------------------------|---------------------|
| SUPPORT AND REVENUES | | | |
| Donations | \$ 185,563 | \$ - | \$ 185,563 |
| Special events | 783,625 | - | 783,625 |
| Less direct expenses | (220,862) | - | (220,862) |
| Net special events | 562,763 | - | 562,763 |
| Grant revenue | 47,612 | 35,000 | 82,612 |
| Riders fees | 156,582 | - | 156,582 |
| Other program income | 11,287 | - | 11,287 |
| Net assets released from restrictions | 24,460 | (24,460) | - |
| Total support and revenues | <u>988,267</u> | <u>10,540</u> | <u>998,807</u> |
| EXPENSES | | | |
| Program services - riding services | 900,548 | - | 900,548 |
| Supporting services | | | |
| Management and general | 69,781 | - | 69,781 |
| Fundraising | 169,831 | - | 169,831 |
| Total expenses | <u>1,140,160</u> | <u>-</u> | <u>1,140,160</u> |
| Increase (decrease) in net assets | (151,893) | 10,540 | (141,353) |
| NET ASSETS at beginning of year | <u>1,806,309</u> | <u>20,000</u> | <u>1,826,309</u> |
| NET ASSETS at end of year | <u>\$ 1,654,416</u> | <u>\$ 30,540</u> | <u>\$ 1,684,956</u> |

The accompanying notes are an integral part of these financial statements.

ManeGait
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2015

| | Unrestricted | Temporarily Restricted | Total |
|---------------------------------------|---------------------|---------------------------|---------------------|
| SUPPORT AND REVENUES | | | |
| Donations | \$ 228,730 | \$ - | \$ 228,730 |
| Special events | 630,469 | - | 630,469 |
| Less direct expenses | (177,269) | - | (177,269) |
| Net special events | 453,200 | - | 453,200 |
| Grant revenue | 239,957 | 20,000 | 259,957 |
| Riders fees | 140,817 | - | 140,817 |
| Other program income | 15,808 | - | 15,808 |
| Net assets released from restrictions | 28,850 | (28,850) | - |
| Total support and revenues | <u>1,107,362</u> | <u>(8,850)</u> | <u>1,098,512</u> |
| EXPENSES | | | |
| Program services - riding services | 754,332 | - | 754,332 |
| Supporting services | | | |
| Management and general | 64,066 | - | 64,066 |
| Fundraising | 167,625 | - | 167,625 |
| Total expenses | <u>986,023</u> | <u>-</u> | <u>986,023</u> |
| Increase (decrease) in net assets | 121,339 | (8,850) | 112,489 |
| NET ASSETS at beginning of year | <u>1,684,970</u> | <u>28,850</u> | <u>1,713,820</u> |
| NET ASSETS at end of year | <u>\$ 1,806,309</u> | <u>\$ 20,000</u> | <u>\$ 1,826,309</u> |

The accompanying notes are an integral part of these financial statements.

ManeGait
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

| | 2016 | 2015 |
|--|--------------|------------|
| Increase (decrease) in cash | | |
| Cash flows from operating activities | | |
| Increase (decrease) in net assets | \$ (141,353) | \$ 112,489 |
| Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities | | |
| Loss on sale of assets | 3,583 | 725 |
| Depreciation | 77,722 | 71,815 |
| Bad debt | 1,069 | - |
| Changes in operating assets and liabilities, net | | |
| Accounts receivable | 31,697 | (3,559) |
| Contributions receivable | (2,500) | - |
| Grant receivable | - | 10,000 |
| Prepaid expenses | (4,966) | (3,965) |
| Accounts payable | 13,274 | (7,562) |
| Accrued liabilities | (1,333) | 14,506 |
| Deferred revenue | 3,837 | (17,195) |
| Net cash provided by operating activities | (18,970) | 177,254 |
| Cash flows from investing activities | | |
| Change in restricted cash | (10,540) | (1,150) |
| Acquisition of property, plant and equipment | (30,518) | (45,627) |
| Proceeds from sale of assets | - | 10,803 |
| Net cash used in investing activities | (41,058) | (35,974) |
| Cash flows from financing activities | | |
| Proceeds from line of credit | 50,000 | 75,000 |
| Payments on line of credit | (50,000) | (75,000) |
| Net cash used in financing activities | - | - |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (60,028) | 141,280 |
| Cash and cash equivalents at beginning of year | 193,282 | 52,002 |
| Cash and cash equivalents at end of year | \$ 133,254 | \$ 193,282 |
| Supplemental disclosure of cash flow information | | |
| Cash paid during the year for | | |
| Interest | \$ 513 | \$ 925 |

The accompanying notes are an integral part of these financial statements.

ManeGait
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016

| | Supporting Services | | | Total |
|-----------------------------------|---------------------|------------------------|-------------------|---------------------|
| | Program Services | Management and General | Fundraising | |
| | Riding | General | Fundraising | Supporting Services |
| Employee salaries and benefits | \$ 476,577 | \$ 46,986 | \$ 147,671 | \$ 194,657 |
| Employee development and training | 4,827 | 476 | 1,496 | 1,972 |
| Program expenses | 28,618 | - | 8,946 | 8,946 |
| GaitWay program | 67,546 | - | - | - |
| Horse care | 87,946 | - | 399 | 399 |
| Volunteer expenses | 2,164 | - | - | - |
| Repairs and maintenance | 23,312 | 2,595 | 45 | 2,640 |
| Equipment expense | 3,004 | 334 | - | 334 |
| Utilities | 17,546 | 1,950 | - | 1,950 |
| Development and marketing | 29,213 | - | 2,586 | 2,586 |
| Information technology | 7,960 | 785 | 2,466 | 3,251 |
| Accounting | 19,371 | 1,620 | 5,090 | 6,710 |
| Property taxes | 90 | 10 | - | 10 |
| Legal fees | - | 160 | - | 160 |
| Insurance | 25,498 | - | - | - |
| General administration | 28,519 | 3,408 | 1,081 | 4,489 |
| Depreciation | 69,899 | 7,823 | - | 7,823 |
| Interest expense | 411 | 51 | 51 | 102 |
| Fundraising expenses | 6,978 | - | - | - |
| Bad debt | 1,069 | - | - | - |
| Loss on sale of assets | - | 3,583 | - | 3,583 |
| | <u>\$ 900,548</u> | <u>\$ 69,781</u> | <u>\$ 169,831</u> | <u>\$ 239,612</u> |
| | | | | <u>\$ 1,140,160</u> |

The accompanying notes are an integral part of these financial statements.

ManeGait
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

| | Supporting Services | | | Total |
|-----------------------------------|---------------------|------------------------------|-------------------|-------------------|
| | Program Services | Management and General | Fundraising | |
| | Riding | | | Total |
| Employee salaries and benefits | \$ 357,561 | \$ 40,289 | \$ 105,758 | \$ 503,608 |
| Employee development and training | 4,319 | 487 | 1,278 | 146,047 |
| Program expenses | 35,690 | - | - | 1,765 |
| GaitWay program | 50,369 | - | - | - |
| Horse care | 75,864 | - | - | - |
| Volunteer expenses | 5,863 | - | - | - |
| Repairs and maintenance | 26,385 | 2,932 | - | 2,932 |
| Equipment expense | 7,284 | 809 | - | 809 |
| Utilities | 14,686 | 1,836 | 1,836 | 3,672 |
| Development and marketing | 14,376 | - | 43,128 | 43,128 |
| Information technology | 3,889 | 438 | 1,150 | 1,588 |
| Accounting | 26,390 | 2,974 | 7,806 | 10,780 |
| Property taxes | 7,186 | 798 | - | 798 |
| Legal fees | - | 91 | - | 91 |
| Insurance | 18,067 | 2,258 | 2,258 | 4,516 |
| General administration | 23,038 | 2,802 | 3,966 | 6,768 |
| Depreciation | 64,633 | 7,182 | - | 7,182 |
| Interest expense | 739 | 93 | 93 | 186 |
| Fundraising expenses | 15,181 | - | - | - |
| Bad debt | 2,812 | 352 | 352 | 704 |
| Loss on sale of assets | - | 725 | - | 725 |
| | <u>\$ 754,332</u> | <u>\$ 64,066</u> | <u>\$ 167,625</u> | <u>\$ 231,691</u> |
| | | | | <u>\$ 986,023</u> |

The accompanying notes are an integral part of these financial statements.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

ManeGait (the "Organization") is incorporated under the laws of the State of Texas as a nonprofit organization and is located in McKinney, Texas. The Organization is a therapeutic horsemanship center offering therapeutic equestrian activities and therapy in a caring, high-integrity environment. The Organization serves children and adults with disabilities so that they can move beyond their boundaries through the healing power of the horse and the dedication of a professional, caring community. The focus of therapeutic riding lessons is skill development and progression while improving the rider's physical, cognitive, emotional and social skills. The Organization derives most of their revenues from free-will donations, fundraising events, grants and rider fees.

On December 31, 2012, WPL Partner, Ltd, a Texas limited partnership ("WPL"), manager of 3160 Partners, LLC, a Texas limited liability company ("3160 Partners"), transferred 100% interest in 3160 Partners to the Organization. 3160 Partners owns the property and land the Organization's facilities are on. During March 2015, 3160 Partners conveyed the land to the Organization under a special warranty deed.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For reporting purposes, resources are classified into three net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted net assets - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization. There were no permanently restricted net assets at December 31, 2016 and 2015.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less. The FDIC deposit insurance insures deposits up to \$250,000 per deposit, per insured bank for each ownership category. There was no uninsured cash at December 31, 2016 and 2015.

Accounts Receivables

Trade accounts receivable consist of rider fees. Management evaluates accounts receivable and writes off account when they are deemed uncollectible.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost if purchased, or at estimated fair value as of the date of donation. The Organization capitalizes expenditures for these assets in excess of \$1,000 and with an estimated useful life greater than one year. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed on a straight-line basis over estimated useful lives as follows:

| | <u>Estimated Lives</u> |
|------------------------|------------------------|
| Leasehold improvements | 10 - 20 years |
| Farm equipment | 5 - 7 years |
| Program equipment | 5 years |
| Vehicles | 5 - 7 years |
| Admin equipment | 5 years |
| Horses | 5 years |
| Arena | 19 - 20 years |

Accrued Expenses

Various expenses of the Organization that were incurred before December 31, 2016 and 2015, respectively, but paid afterward, have been accrued and reported as accrued expenses.

Contributions

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Contributions are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable in the amount. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed Assets and Services

Contributed assets are reflected as contributions in the accompanying financial statements at their estimated values on the dates of receipt. Contributed services are reflected in the financial statements at the fair value of the services received if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed assets and services are donated to the Organization by various individuals, corporations, and other organizations. There were no in-kind goods and services for the years ended December 31, 2016 and 2015.

Approximately 465 individuals volunteered approximately 18,200 hours of service with an estimated value of approximately \$440,000 for the year ended December 31, 2016. Approximately 450 individuals volunteered approximately 17,200 hours of service with an estimated value of approximately \$405,000 for the year ended December 31, 2015. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the above criteria.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenue arise from advance billing of rider fees for the subsequent riding sessions and special event revenue received in the current period, which relate to the following year's special event. Rider fees and special event revenue are reflected as revenue as services are provided and when the special event occurs.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities and change in net assets for the years ended December 31, 2016 and 2015. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, except to the extent it has unrelated business income. For the years ended December 31, 2016 and 2015, the Organization had no material net unrelated business income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements. The Organization is not recognized as a private foundation.

The Organization has concluded that it does not have any unrecognized tax benefits resulting from the current or prior period tax positions. Accordingly, no additional disclosures have been made on the financial statements regarding ASC 740, *Income Taxes*. The Organization does not have any outstanding interest or penalties, and none have been recorded in the statement of activities and change in net assets for the years ended December 31, 2016 and 2015. The Organization's informational returns filed are generally subject to examination for three years after the later of the due date or date of filing. As a result, the Foundation is no longer subject to income tax examination by tax authorities for years prior to 2013.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported and disclosures. Actual results could differ from those estimates.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at December 31,:

| | | |
|---|---------------------|---------------------|
| | <u>2016</u> | <u>2015</u> |
| Land | \$ 1,043,320 | \$ 1,043,320 |
| Buildings | 213,199 | 213,199 |
| Land improvements | 203,305 | 181,632 |
| Farm equipment | 55,094 | 55,094 |
| Program equipment | 50,069 | 48,369 |
| Vehicles | 33,220 | 33,220 |
| Admin Equipment | 45,095 | 44,650 |
| Horses | 68,850 | 67,150 |
| Arena | <u>259,209</u> | <u>259,209</u> |
| | 1,971,361 | 1,945,843 |
| Less accumulated depreciation | <u>(403,345)</u> | <u>(327,040)</u> |
| Total property, plant and equipment at cost-net | <u>\$ 1,568,016</u> | <u>\$ 1,618,803</u> |

Depreciation expense was \$77,722 and \$71,815 for the years ended December 31, 2016 and 2015, respectively.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

3. LINE OF CREDIT

The Organization has a \$200,000 line of credit with a financial institution. The interest rate is the Prime rate with a floor of 3.25%. Collateral is a first lien deed of trust on the Organization's property at 3160 North Cluster Road, McKinney, Texas. On August 25, 2016, the line of credit was renewed with a new maturity date of August 25, 2018. As of December 31, 2016 and 2015, the outstanding balance was \$0.

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consists of the following at December 31,:

| | <u>2016</u> | <u>2015</u> |
|-----------------|------------------|------------------|
| Gaitway program | \$ 540 | \$ 10,000 |
| Horse simulator | 30,000 | 10,000 |
| | <u>\$ 30,540</u> | <u>\$ 20,000</u> |

Temporarily restricted net assets were released for the following purposes for the years ended December 31,:

| | <u>2016</u> | <u>2015</u> |
|----------------------------------|------------------|------------------|
| Horses and horse care | \$ 5,000 | \$ 8,850 |
| Gaitway program | 9,460 | 10,000 |
| Development of the sensory trail | 10,000 | 10,000 |
| | <u>\$ 24,460</u> | <u>\$ 28,850</u> |

5. SPECIAL EVENTS

The Organization has various special events to help fund current operations. The revenue and related expenses from such events are as follows for the years ended December 31,:

| | <u>2016</u> | | |
|------------------|-----------------------------------|-----------------------------------|-------------------------------|
| | <u>Special Events Revenue</u> | <u>Special Events Expense</u> | <u>Net Special Events</u> |
| Golf outing | \$ 135,096 | \$ 39,062 | \$ 96,034 |
| Gala at the Gait | 595,659 | 169,396 | 426,263 |
| Gaitapalooza | 52,870 | 12,404 | 40,466 |
| | <u>\$ 783,625</u> | <u>\$ 220,862</u> | <u>\$ 562,763</u> |
| | <u>2015</u> | | |
| | <u>Special Events Revenue</u> | <u>Special Events Expense</u> | <u>Net Special Events</u> |
| Golf outing | \$ 115,532 | \$ 40,643 | \$ 74,889 |
| Gala at the Gait | 514,937 | 136,626 | 378,311 |
| | <u>\$ 630,469</u> | <u>\$ 177,269</u> | <u>\$ 453,200</u> |

In addition to special events, total fundraising expenses were 21% and 18% of total donations, net special events and grant revenues for the years ended December 31, 2016 and 2015, respectively.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

6. FINANCIAL CONDITION

The Organization depends heavily on donations and special events for its revenue. The ability of the donors to continue giving amounts comparable with prior years may be dependent, among other things, upon current and future overall economic conditions and the continued deductibility for income taxes purposes of donations to the Organization. While management believes the Organization has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on the above factors.

7. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 10, 2017, the date the financial statements were available to be issued and determined that there were no such events or transactions that require disclosure for the year ended December 31, 2016.

E.
INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 24 2008

MANE GAIT
C/O CHERYL C TURNER
3160 N CUSTER RD
MCKINNEY, TX 75071-3051

Employer Identification Number:
26-1525268
DLN:
17053070043028
Contact Person:
JOSEPH LAUX ID# 31077
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
November 9, 2007
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
December 31, 2011
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

MANE GAIT

Sincerely,

A handwritten signature in black ink that reads "Robert Choi". The signature is written in a cursive style with a large, prominent "C" at the end.

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC
Statute Extension